Washington State Department of Health

Primary Care Access for Medicare Patients in Washington State: Recent Results

Office of Community and Rural Health

July 13, 2005

PUBLIC HEALTH
ALWAYS WORKING FOR A SAFER AND HEALTHIER COMMUNITY

Credit Where Credit Is Due:
This work is not possible without local partners

- Local partners include Local Health Jurisdictions, foundations, access coalitions, and hospitals
- Workload has been shared (with more expected of larger counties)
  - Initial contact/Local Health briefing (DOH)
  - Health District organizes stakeholder group
    - Enlisting support – participant outreach
  - Provider Survey (Local Health coordinates)
  - Data entry/designation analysis (DOH)
  - Primary Care Access Assessment (DOH/Local Health support)
  - Community/Media/Elected Official Release (Local Health)
  - Aggregation into comparative studies (DOH)

Understanding the Limitations of the Data

- This are first and foremost a set of detailed county case studies – not a systematic statewide data set
  - The survey process is voluntary
  - Differences in instruments and collection methods (though it is becoming standardized)
  - Done over a rolling three – five year period
  - Instruments and methods are evolving
- Data collection approach
  - Phone/fax/phone survey to practice location covering hours of direct patient care, payer shares for major payers, and acceptance of new patients
  - Identify and locate 99%+ providers and get survey results back from 95%+
    - Census goals generally met– survey response rates between 85 and 100%
  - Reasonably accurate – not extremely precise
  - Assessment integrated with data collection for Health Professional Shortage Area designation – which may introduce some downward bias in reporting (especially FTE and Medicaid shares)
- Look for big differences, trends, and patterns

Background Trends for Primary Care – for documentation see the Washington State Health Care Access Research Website at:

http://www.doh.wa.gov/hsqa/ocrh/har/hcresrch.htm

- Primary care capacity in urban areas (especially in private practices) appears to be eroding slowly while it is increasing slowly in rural areas
- Capacity for existing patients is not at the crisis level – but many counties are showing signs of stress
  - Medicare capacity appears adequate
  - Low income capacity is worse but not dramatically so (this may be changing)
  - Access the care for the working or near poor is not measured well
- Access for existing insured, Medicaid, and Medicare primary care patients in rural and urban counties is fairly similar as measured by ratios of existing capacity to population
  - Capacity to serve existing patients in many large town rural counties is greater than in many urban counties
  - Some rural areas, primarily in smaller and isolated rural counties, face significant constraints and remain vulnerable due to small size and potential instability
  - Capacity for existing patients residing on the rural urban fringe is a particular concern. This includes places like Eatonville (Pierce County), Sumas (Whatcom County) and Deer Park (Spokane County)
- Access for new publicly supported patients (Medicare, Medicaid and Basic Health) is worse in urban counties compared rural counties, in many cases dramatically so
  - The majority, and in some cases almost all private practices in some urban counties are closed to new public patients
- Capacity to serve the uninsured is very limited just about everywhere

Medicare Basics – Washington State

- Medicare provided health insurance for 13% (775,000) of Washington residents in 2004
  - 666,000 (86%) were elderly (over 65)
  - 109,000 (14%) were non-elderly persons with permanent disabilities
- Medicare covers Hospitalization (Part A), outpatient and preventative care (Part B), prescription drugs starting in 2006, and limited coverage for long-term care. This presentation focuses on access to primary care which is covered under Part B
- Providers are reimbursed through two basic mechanisms
  - Fee-for-Service pays a specific amount per procedure (partially adjusted for local costs and acuity)
  - Medicare Managed Care pays a specific amount (capitation rate) per patient (partially adjusted for cost and acuity)
    - 15% of Washington Medicare beneficiaries are enrolled in managed care options compared to 11% of Medicare beneficiaries nationally
    - Medicare managed care capitation in many areas of Washington has improved over the past 4-5 years. While capitation rates in rural Washington remain lower than in urban counties and capitation for Washington State counties lags some counties in other states, federal legislation to modify Medicare reimbursement formulas over the past four years has reduced these differences
- Most Medicare beneficiaries have supplemental coverage
  - Nationwide 12% have no supplemental coverage, 17% (mostly low-income) persons have supplemental coverage through Medicaid
  - 71% have supplemental coverage through either Medicare Managed Care, Employee Retirement Benefits, or Medigap policies
  - There is a large variation in both the cost and comprehensiveness of supplemental Medicare coverage

Major Trends in Access to Primary Care for Medicare Patients from Washington State Primary Care Clinic Survey – Summary Points

- Access to Primary Care for Existing Medicare patients is adequate in most areas of the state
  - The most acute access issues are on the urban – rural fringe, the rural areas of urban counties such as Eatonville, Darrington, Deer Park, Sumas, or Rochester
  - Access for existing Medicare patients is not significantly worse in rural counties than in urban counties, but there are some rural hot spots. When measured in relative terms primary care capacity in some large rural counties (especially those with a strong Rural Health Clinic presence) is greater than capacity in many urban counties.
- Medicare access is a significant and growing concern for new Medicare patients
  - As many as 100,000 new Medicare beneficiaries are expected to seek Washington primary care providers between 2005 - 2010, and 400,000 additional beneficiaries may seek providers 2010 - 2020.
  - Providers in urban counties are much less likely to report they are accepting new Medicare patients without restrictions (20% to 30%) than providers in rural counties (over 90% in most cases)
- Medicare managed care options are not available in Eastern Washington and in most rural Western Washington counties
  - But rural providers indicated they would be willing to see these patients if plans were available
- Over 95% of primary capacity serving Medicare patients is located at private, hospital operated practices or at Health Maintenance Organizations
  - In most cases Community Health Clinics are not oriented toward serving Medicare patients and in most cases do not currently have the capacity to rapidly absorb large numbers of new patients
- The reimbursement system – especially Rural Health Clinic status in rural areas is strongly related to whether clinics report they are willing to see new Medicare patients

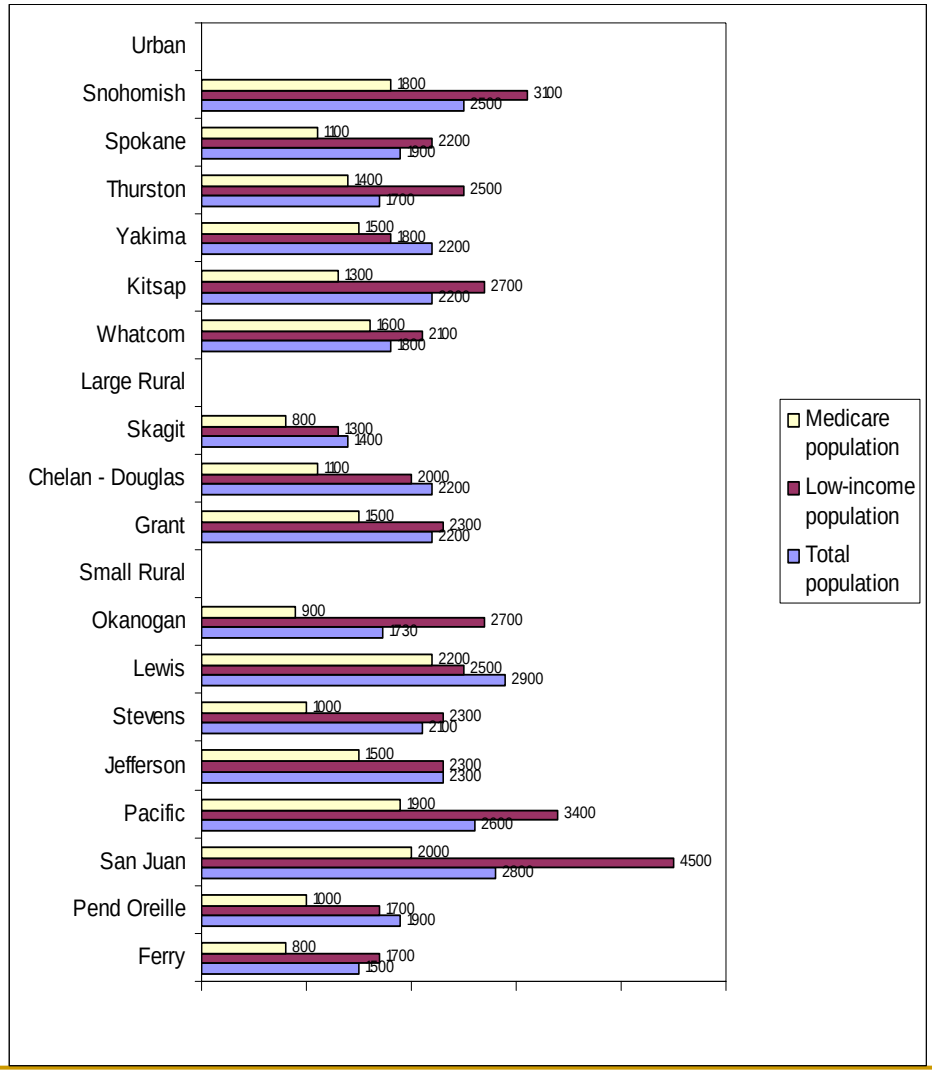
Counting Primary Medical Care Providers and Assessing Capacity for Existing Patients

- Primary care includes Family Practice, OB/GYN, General Internal Medicine (GIM) and Pediatric Physicians
- Mid-levels not included in Federal definitions (but we survey them)
- Headcount = total number providers working in an area
- Full-time Equivalent (FTE) Providers
  - Used to make apples to apples comparisons and adjust for hours of direct care
  - 1 FTE = 40 hours of direct patient care
- Rough shortage index (ratio of target population per physician FTE)
  - Overall access: Total Resident Population: Physician FTE
  - Low income access: 200% FPL Population: Medicaid +BHP + sliding scale FTE
  - Medicare access: Medicare population: Medicare FTE

Assessing Access for Existing Patients: Benchmarks for Primary Care Physician Staffing Ratios

- Ideal staffing ratios if everyone insured/ability to pay
  - Studies of staff-model Health Maintenance Organizations
  - Between 1000:1 FTE to 1800:1 FTE
- Typical range with "normal" demand for total population
  - Urban/Large Town areas
  - General Population: 1500:1 to 2000:1
  - Medicare Population: 1000:1 to 1500:1
- Signs of Stress
  - General Population: Over 2000:1 +
  - Medicare Population 1500:1 to 2000:1
- Serious Shortage
  - Federal Health Professional Shortage Area criteria
  - General Population: Over 3000:1
  - Medicare Population: Over 2000:1
- The stress point for Medicare population is lower because of close to universal coverage and greater acuity for patients
- This is not an exact science

Primary Care Access for the Medicare Population is not as bad as we think based on ratios of population to providers, but…



Medicare Access (Yellow)

- In ideal to normal range for most counties
- Better access in urban counties and rural counties with high RHC penetration
- Some rural hot spots

Overall Access (Blue)

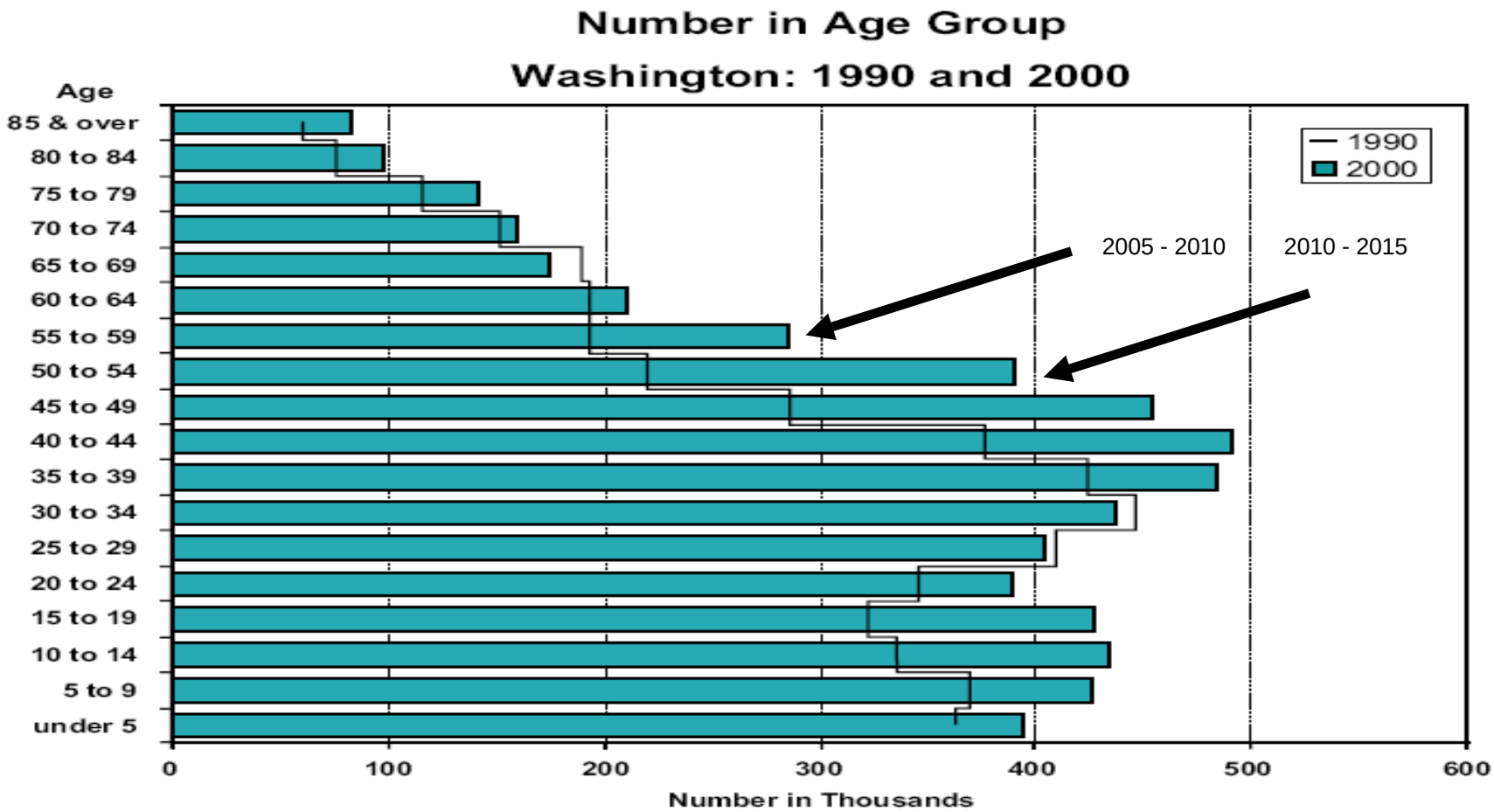
- Most counties showing signs of stress
- Urban counties and large town counties are similar – small town counties are mixed

Low income access (Red)

- Not dramatically worse and in a few cases a little better than access for the total populations
- Low income access is deteriorating

About 300,000 New Medicare patients will enter the health care system in the next ten years – a crucial concern for the future

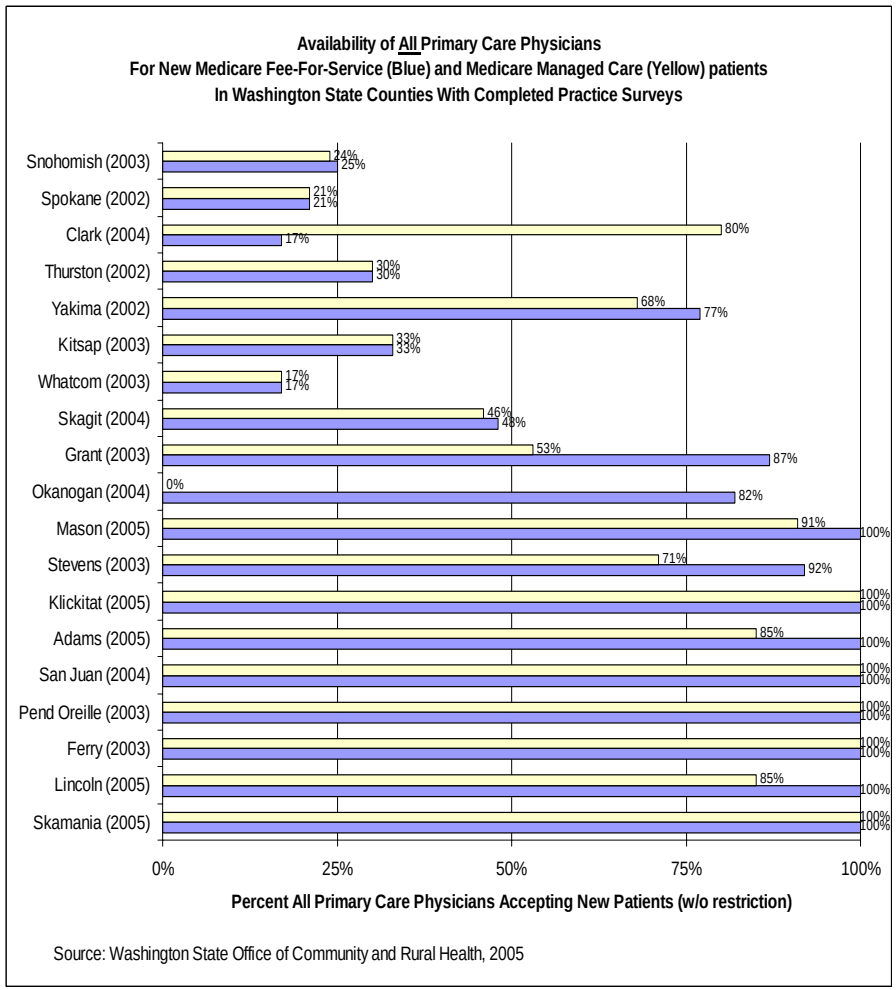
Source: Kirschner AR (2003) Changing Age Structures of Washington Counties WSU Coop Extension
http://www.crs.wsu.edu/wacts21/EB1944E.pdf



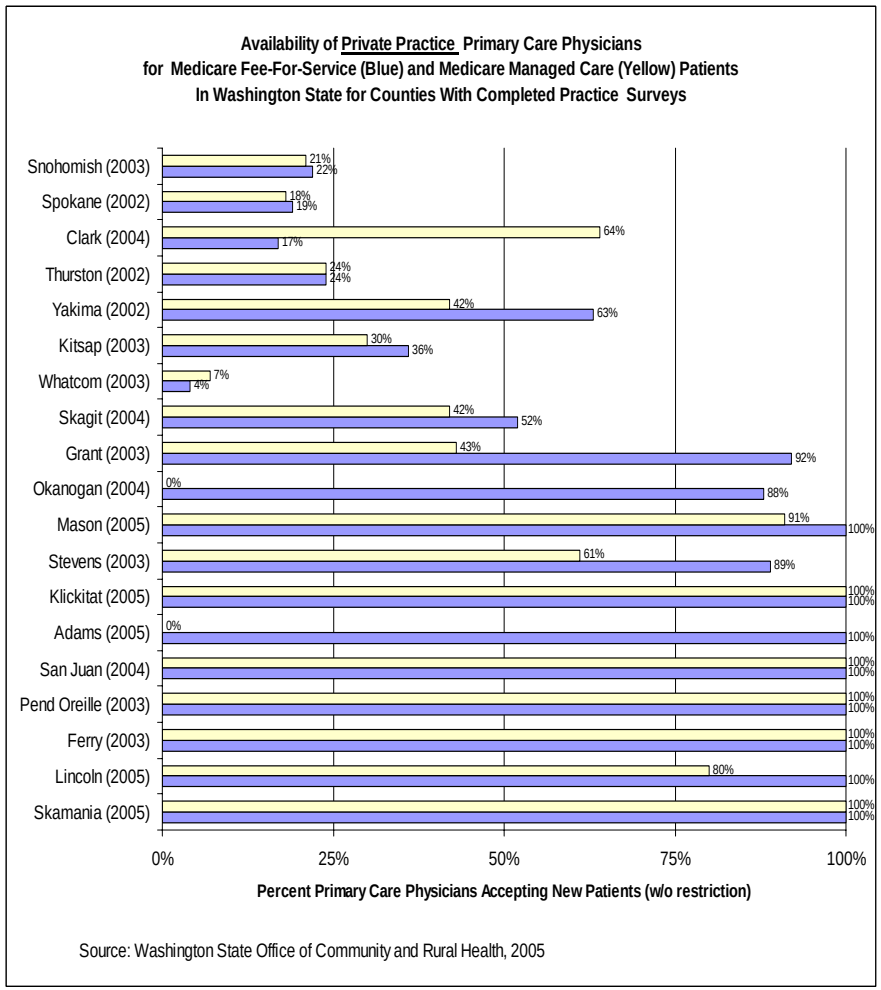
Practices in urban counties are less likely to be open to new Medicare patients

Primary care physicians in private, hospital-owned, and/or HMO practices provide more than 95% of Medicare capacity (data not shown)

Availability drops slightly when community health clinic and residency based providers are excluded



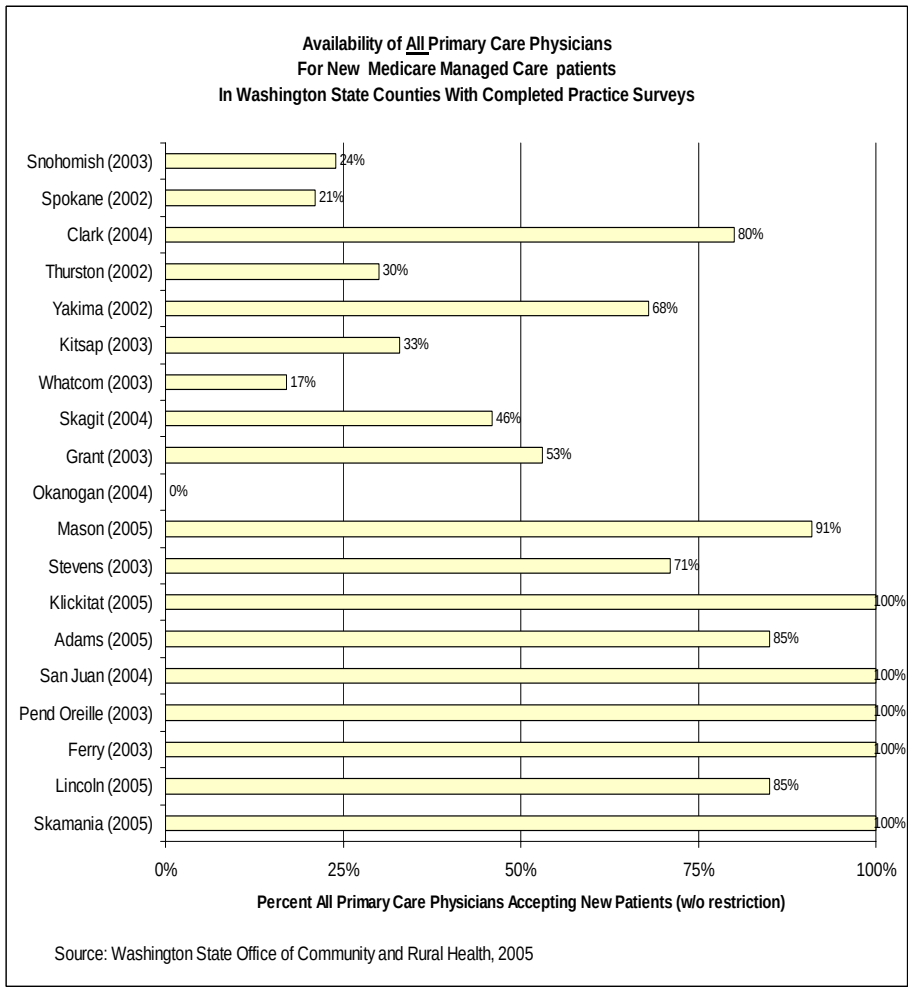
Source: Washington State Office of Community and Rural Health, 2005

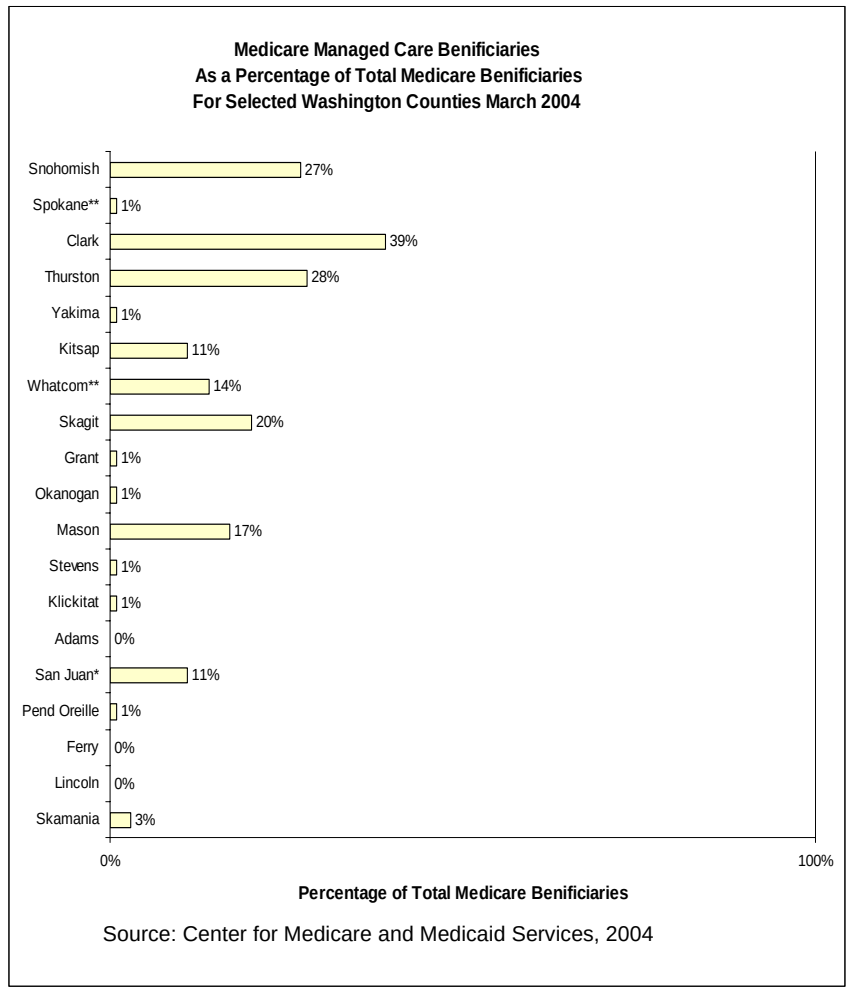


Source: Washington State Office of Community and Rural Health, 2005

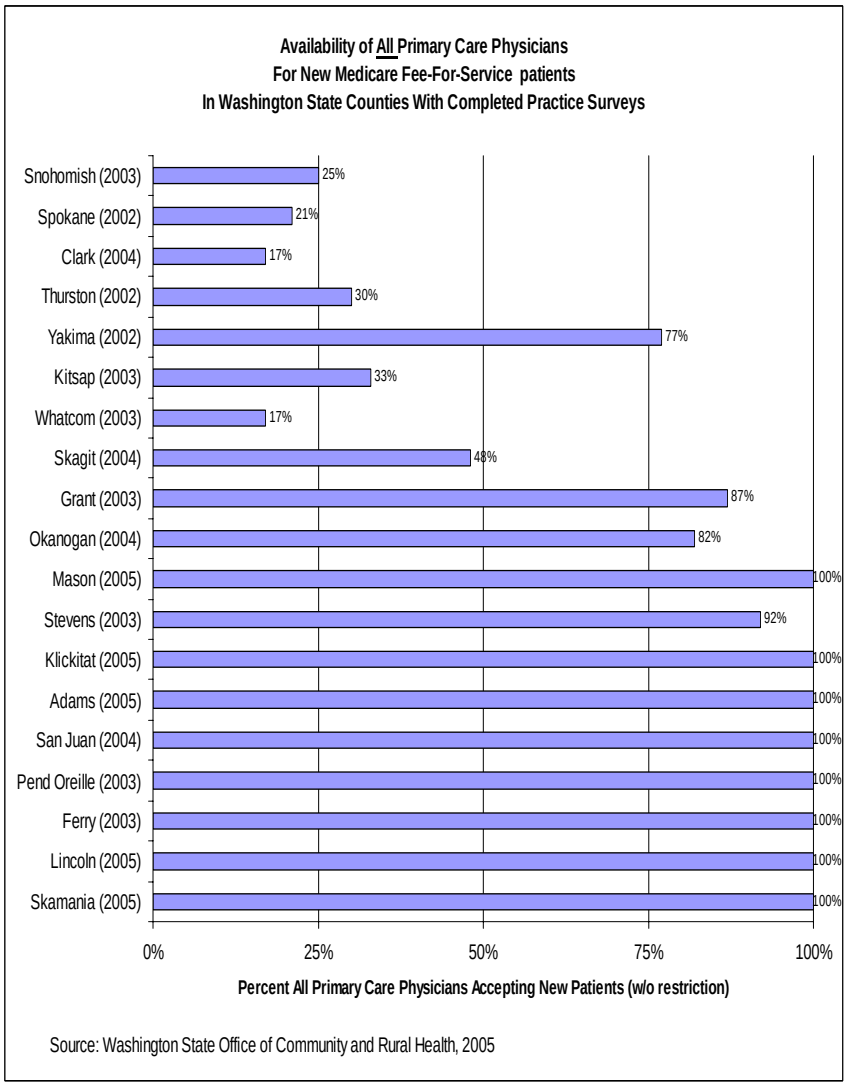
As of 2004 –few Medicare managed care plans were available and fewer beneficiaries participated in rural and Eastern Washington Counties. Rural primary care physicians reported they were more willing to see new Medicare Managed Care patients than physicians in urban Washington counties. This overstates access because of the absence of Medicare Managed Care plans in rural areas.

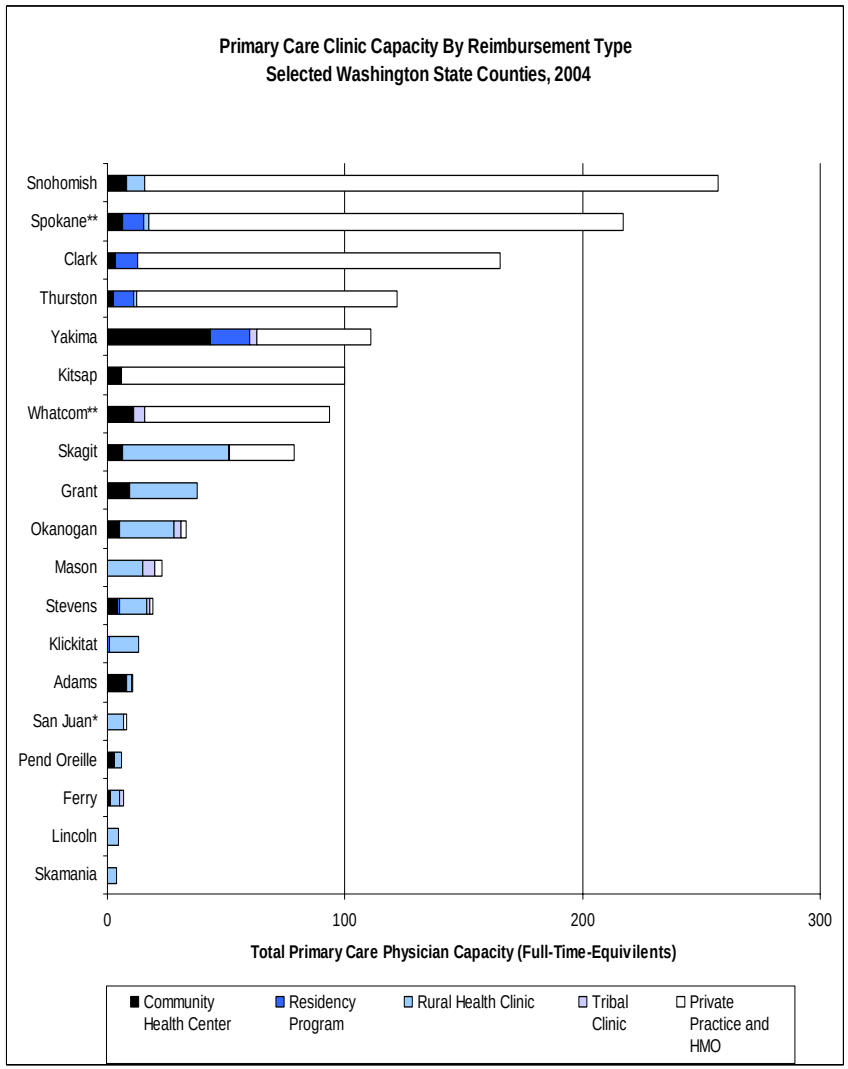
But rural providers in those counties with strong managed care presence also reported they were likely to be open





Willingness to accept new Medicare patients is very strongly associated with the reimbursement structure for clinics





Medicare Access Issues – Considerations for the Future

- Implementation of Medicare Modernization Act will have important implications for access to care
  - Medicare funding is tilting towards managed care and away from fee-for-service
    - Reimbursement for Medicare Managed Care may improve
    - Access for Medicare Managed Care may improve, especially in urban areas with a strong Medicare managed care presence
    - Reimbursement and access for fee-for-service may deteriorate
  - Concerns for access / crossover for dual eligible (Medicare and Medicaid) beneficiaries
- Implementation of Medicare Modernization Act managed care provisions are a major unknown
  - Will insurers offer plans in Eastern and Rural Washington?
  - Will providers sign contracts?
  - How will the interaction between Rural Health Clinics and Medicare Managed Care be resolved
- The urban safety net (Community Health Clinics and/or Federally Qualified Health Centers) lacks capacity and physician staffing to handle a surge in Medicare Patients
  - With a few exceptions, for most safety net clinics 5% - 10% of patients are on Medicare
  - Physician staffing in safety net clinics is tilted toward OB and Pediatrics and not General Internal Medicine
  - Safety net capacity to serve Medicare patients may be increasing slowly
- There has been a significant decrease in the number of medical students electing to specialize in primary care in recent. This suggests the state and nation may face significant shortages of primary care providers in 10+ years
- These findings pertain to primary care access only – stability of health clinics is threatened by financial stress on other health care services, especially long-term care

Medicare Access: Rural and Urban Considerations

- Access for Medicare patients has stabilized in rural Washington over the past 5 years in part because of:
  - Rapid expansion of rural reimbursement enhancement programs supported by aggressive implementation and technical assistance from OCRH has improved finances
    - Critical Access Hospital Program
    - Rural Health Clinic program
  - Targeted Recruitment and Retention and Community Development Assistance from OCRH
  - Continued consolidation (affiliation with larger entities) of health care services increases stability
  - Continued stability is unlikely if these programs/reimbursement not maintained
  - Rural health care services are interdependent. Financial instability introduced by reimbursement levels for other health care services are a continued threat. Nursing and long-term care reimbursement are a particular concern
- Access for Medicare patients in urban counties has deteriorated over the past 5 years, but..
  - Access for existing patients still appears adequate in most areas
  - The access problem is on the margin (new patients entering the system)
  - The trend towards deteriorating access for new Medicare Managed Care patients may be reversed as the provisions of the Medicare managed care are implemented
  - Trends pointing towards deteriorating access for Medicare Fee – for – Service and Dual eligibility may accelerate

OCRH Health Care Access Research – Where to get more information

- http://www.doh.wa.gov/hsqa/ocrh/har/hcresrch.htm
- Washington Rural Health Assessment Project
  - 7 short studies on primary care access – Elder Care – Child and Maternal Health
- Washington Primary Care Safety Net Assessment
  - Overview of the system
  - Where to target resources
  - Past and future growth trends
- Healthcare Infrastructure Mapping
  - Maps include:
    - Hospitals, Rural Health Clinics, Community Health Centers, Rural Primary Care Clinics, Eldercare Options, and Hospital OB Access
  - Hard copy maps to download
    - Low – resolution maps for use in PowerPoint
    - High – resolution wall maps
    - http://ww4.doh.wa.gov/gis/standard_maps.htm

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